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February 23, 2011

BY FACSIMILE AND
BY REGULAR MAIL

Mr. Francis De Luca
The Civitas Institute
100 South Harrington St.
Raleigh, NC 27603

Dear Mr. De Luca:

We are writing on behalf of our client, Child Care Services Association (CCSA), which is the subject of ongoing false and misleading publications and communications by The Civitas Institute and its staff. By express statement and innuendo, your staff is publishing the allegation that CCSA has been guilty of waste and mismanagement of Smart Start funds. These assertions have absolutely no basis in fact, are false, and are therefore defamatory. We demand that you cease and desist making such assertions, and issue retractions of the falsehoods you have disseminated.

The basic facts are these: As is happening throughout the State of North Carolina, Smart Start and other funding sources have been reduced because of the budget crisis facing our state and nation. Budget cuts and lack of anticipated funding mean there were insufficient resources for Smart Start programs, and difficult choices have had to be made about allocation of program resources. Priority was given to funding programs that assist families with infants and toddlers, the most vulnerable of the populations served. These choices coupled with insufficient funding meant services were terminated to some program participants. The terminations had nothing to do with the necessary expenses associated with administering the program or the other baseless allegations made by your organization.

CCSA has been dedicated to its mission of ensuring affordable, accessible, high quality child care to North Carolina families for over twenty years, and has been a national leader in enhancing the effective and responsible use of private and public moneys allocated for these services.

Further, CCSA complies with all auditing and state and federal reporting requirements and consistently has received a clean bill of financial health.

We demand that The Civitas Institute cease and desist its allegations contrary to the foregoing facts, and take appropriate corrective action, including but not limited to removing and correcting the offending statements on The Civitas Institute website.

Very truly yours,
LEWIS PHILLIPS HINKLE, PLLC

By: _____
J. Dickson Phillips III

By: _____
Christina Goshaw Hinkle

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Client: CCSA

Date: Feb 23 2011 **Re:**

To: Francis DeLuca **Fax #:** 834-2350

Copy: **Fax #:**

From: Dickson Phillips **Pages:** 3 **(including coversheet)**

☐ **Urgent** ☑ **For Review** ☐ **Please Comment** ☐ **Please Reply**

☑ **Original WILL follow by mail** ☐ **Original WILL NOT follow by mail**

Comment:

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